

UNITED NATIONS DEVELOPMENT PROGRAMME



UNDP

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DP/PROJECTS/2858 ✓
(LAO/74/010)
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ENGLISH ONLY

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

Integrated Woodworking Project (Supplementary Assistance) (LAO/74/010)

Report of the Administrator*

Date of present approval: June 1979

Starting date of project activities: September 1974 (including previous assistance)

Planned completion date: December 1979

To be executed by: United Nations Industrial Development Organization
(UNIDO)

Government implementing agency: Department of Forests (Ministry of Agriculture,
Forests and Hydraulics)

Estimated cost of assistance planned
under present approval: \$502 000

Source of UNDP financing: Indicative Planning Figure (IPF)

I. Background

1. Forest products represent one of the major natural resources of the Lao People's Democratic Republic and a potentially important source of rural income and foreign exchange. UNDP assistance was approved under the present project (LAO/74/010) in August 1974 and May 1976¹ for the development of woodworking, plywood and sawmilling industries with a strong emphasis on training and product design. It is now apparent, however, that a corresponding stress must be placed on the improvement of the productive capacity of the industry in terms of both physical plant and managerial support.

II. Objectives

2. During the remaining period of project activities, attention will be focused on the

¹/ DP/PROJECTS/443 and 1141 respectively.

* In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance \$250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

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renabilitation and expansion of the state-owned furniture factory. The eventual goal is to produce, on a commercially viable scale, a range of furniture products that have been designed under project auspices.

III. Inputs

3. Under the assistance now approved, UNDP will provide, through the Executing Agency: the services of a project co-ordinator, consultants in saw doctoring, woodworking technology, production management, industrial accounting, civil engineering and bridge construction; fellowships and in-service training; equipment and supplies for the rehabilitation and expansion of the furniture factory; and operation, maintenance and miscellaneous costs.

4. To carry out the activities for which assistance is approved the Government will provide: technical and administrative staff; buildings, equipment and supplies; and miscellaneous expenses.

IV. Financial data

5. The expenditure components of the planned assistance are as follows:

	<u>Previously approved</u>	<u>Present approval</u>	<u>Total approved</u>
	\$	\$	\$
International personnel	375 600	224 300	599 900
Subcontracts	61 700	(1 200)	60 500
Fellowships	41 400	(21 100)	20 300
Equipment	85 900	267 100	353 000
Miscellaneous	<u>7 900</u>	<u>32 900</u>	<u>40 800</u>
	<u>572 500</u>	<u>502 000</u>	<u>1 074 500</u>

6. The estimated total value, expressed in US dollars, of the inputs provided directly by the Government to the project is \$145,600 in kind.

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